



General Assembly

February Session, 2000

Raised Bill No. 613

LCO No. 2530

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

An Act Concerning Assignment Of Municipal Tax Liens.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-195h of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 (a) Any municipality, by resolution of its legislative body, as
4 defined in section 1-1, may assign, for consideration, any and all liens
5 filed by the tax collector to secure unpaid taxes on real property as
6 provided under the provisions of this chapter. The consideration
7 received by the municipality shall be negotiated between the
8 municipality and the assignee. The assignee or assignees of such liens
9 shall have and possess the same powers and rights at law or in equity
10 as such municipality and municipality's tax collector would have had
11 if the lien had not been assigned with regard to the precedence and
12 priority of such lien, the accrual of interest and the fees and expenses
13 of collection. The assignee shall have the same rights to enforce such
14 liens as any private party holding a lien on real property.

15 (b) Any assignee of a lien under this section, or the agent, employee
16 or representative of such assignee, who knowingly charges or exacts

17 any fee or charge in connection with the redemption of any such lien in
18 excess of the amount of any interest which would be permitted under
19 section 12-146 if the municipality were enforcing the lien, shall forfeit
20 such lien to the person who was charged such excessive or unlawful
21 fee and the person paying such unlawful charge shall become vested
22 with all the right, title and interest of such assignee in and to such tax
23 lien. In addition, the person paying such unlawful charge may bring
24 an action in the Superior Court to recover the full amount paid to such
25 tax lien assignee.

26 Sec. 2. Subsection (f) of section 12-129n of the general statutes, as
27 amended by section 5 of public act 99-89, is repealed and the following
28 is substituted in lieu thereof:

29 (f) Any municipality providing property tax relief under this section
30 may establish a lien on such property in the amount of the relief
31 granted, [provided if the total amount of such property tax relief with
32 respect to any such taxpayer, when combined with any such tax relief
33 for which such taxpayer may be eligible in accordance with sections
34 12-129b to 12-129d, inclusive, or 12-170aa, exceeds in the aggregate
35 seventy-five per cent of the property tax for which such taxpayer
36 would be liable but for the benefits under this section and any of the
37 sections mentioned above in this subsection, such municipality shall be
38 required to establish a lien on such property in the amount of the total
39 tax relief granted,] plus interest applicable to the total of such unpaid
40 taxes at a rate to be determined by such municipality. Any such lien
41 shall have a priority in the settlement of such person's estate.

Statement of Purpose:

To prohibit assignees of municipal tax liens from charging interest higher than the amount which the municipality could charge, to provide for a civil remedy for any person who is charged such higher interest and to delete a requirement that a tax lien be established if a municipality provides property tax relief for homeowners who are age sixty-five or older or are disabled.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]